
STATUTORY INSTRUMENTS

2009 No. 2032

**The Taxes and Duties (Interest Rate)
(Amendment) Regulations 2009**

Insertion of new regulation 4A

13. After regulation 4 insert—

“Applicable rate on repayments of inheritance tax, capital transfer tax and estate duty

4A.—(1) For the purposes of—

- (a) section 48(1) of the Finance Act 1975(1),
- (b) sections 235(1) of the Inheritance Tax Act 1984(2),
- (c) section 236(3) of the Inheritance Tax Act(3), and
- (d) section 236(4) of the Inheritance Tax Act so far as it relates to tax repayable under section 147(2) of that Act(4),

the rate applicable under section 178 shall, subject to paragraph (3), be the percentage per annum found by applying the formula specified in paragraph (2), but if the result is not a whole number the result shall be rounded down to the nearest such number.

(2) The formula specified for the purposes of paragraph (1) is—

$$\frac{(RR + 2) \times 80}{100} - 1,$$

where RR is the official bank rate determined at the meeting of the Monetary Policy Committee of the Bank of England which immediately preceded the coming into force of these Regulations.

(3) Where on a reference date after the coming into force of these Regulations, the reference rate found on that date differs from the established rate, the rate applicable under section 178 for the purposes of the enactments referred to in paragraph (1) shall, on and after the next operative date, be the higher of—

- (a) 0.5% per annum, and
- (b) the percentage per annum found by applying the formula specified in paragraph (4).

(4) The formula specified in this paragraph is—

$$RR - 1,$$

(1) 1975 c. 7, section 48(1) was amended by section 180(1) of the Finance Act 1989.

(2) Section 235(1) was amended by section 180(4) of the Finance Act 1989.

(3) Section 236(3) was amended by Part 10 of Schedule 23 to the Finance Act 1986 (c. 41) and section 179(1)(e) of the Finance Act 1989.

(4) Section 147(2) was amended by S.I. 2005/3229.

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where RR is the reference rate referred to in paragraph (3).”